

Michigan Workers' Compensation Agency

Growing Jobs, Protecting Workers

Work Comp Rate Decreases 28% Since 2011, Saving Businesses \$277 million

The Michigan Workers' Compensation Agency (WCA) has announced that the state's workers' compensation insurance pure premium rate will plummet 27.7% from 2011-15, saving Michigan employers an estimated \$277 million. The state's pure premium advisory rates will drop by 6.5% in 2015 and have decreased 6.3%/year from 2011-15.

Best in the Midwest: The most recent comparison data shows that Michigan's cumulative pure premium decrease of 22.7% from 2011-14 is best in the Midwest.¹

Saving Businesses Money: An analysis of insurance premiums shows the decrease in workers' compensation rates has saved Michigan businesses an estimated \$277 million since 2011.²



Chuck Hadden,
President and CEO of the
Michigan Manufacturers
Association



"The state's big drop in workers' compensation rates gives our businesses more resources to start and expand their operations," said Chuck Hadden, president and CEO of the Michigan Manufacturers Association. "Our companies invest this additional money into new equipment and facilities, and put it directly into the pockets of their employees. My counterparts around the country are envious of the work that Governor Snyder and the WCA have done to reduce costs for our job providers."

The most recent data shows that Michigan's cumulative pure premium decrease from 2011-14 is best in the Midwest and second best in the nation. While Michigan's rate went down 22.7%, the national average went up 10.8%.

"Workers' comp premiums are overhead costs to our employers and these decreases mean more and higher paying jobs," said WCA Director Kevin Elsenheimer. "Michigan's workers' compensation system and these lowered rates give us a real competitive edge over neighboring states as companies look to expand and relocate."

In late 2011, Gov. Rick Snyder signed sweeping legislation reforming the state's workers' compensation system. These improvements included defining disability and post-injury earning capacity, and have played an underlying role in the reduction of costs for employers. The changes stabilized the 100-year-old system, ensuring the promise of compensation for injured Michigan employees.

The pure premium is a key factor in determining a job provider's overall expenses for workers' compensation and is the portion of an employer's insurance premium that pays for the anticipated claims costs for work-related injuries.

**Saving Michigan
Businesses
\$277
Million**

Workers Comp Pure Premium Rate Changes 2011-2014

Michigan	-22.7%
Pennsylvania	-13.4%
Illinois	-12.8%
Wisconsin	0.0%
Indiana	+0.5%
National Average	+10.8%

¹National Council on Compensation Insurance, Annual Statistical Bulletin 2011-14

²Compensation Advisory Organization of Michigan, Analysis of Premiums, 2014

For more information on how the Michigan Workers' Compensation Agency
is protecting workers and growing jobs, visit:

www.michigan.gov/wca

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